

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Balance Sheet**  
**As of 12/31/2006**

	As of <u>12-31-06</u>	As of <u>6-30-06</u>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 1,738,102,538	\$ 1,568,651,856
INTERNATIONAL EQUITIES	854,826,374	728,736,085
DOMESTIC FIXED INCOME	1,888,555,234	1,827,967,399
INTERNATIONAL FIXED INCOME	179,352,248	175,048,602
REAL ESTATE POOL	383,634,153	361,756,992
VENTURE CAPITAL	161,003,189	137,923,531
INVESTED CASH (NOTE 1)	<u>58,025,602</u>	<u>86,329,243</u>
 TOTAL INVESTMENTS	 5,263,499,338	 4,886,413,708
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	20,401,955	23,902,849
CONTRIBUTIONS/ASSESSMENTS REC	733,825	7,715,230
MISCELLANEOUS RECEIVABLES	<u>4,669</u>	<u>3,797</u>
 TOTAL RECEIVABLES	 21,140,449	 31,621,876
 <b>OTHER ASSETS</b>		
OPERATING CASH (NOTE 2)	9,260,317	9,827,265
DUE FROM OTHER AGENCIES (NOTE 3)	21,157	120,619
FIXED ASSETS (NET) (NOTE 4)	<u>1,035,729</u>	<u>1,035,729</u>
 TOTAL ASSETS	 <u><u>\$ 5,294,956,990</u></u>	 <u><u>\$ 4,929,019,197</u></u>
 <b>LIABILITIES:</b>		
ACCOUNTS PAYABLE	4,307,471	4,369,151
ACCRUED EXPENSES	520,071	492,643
CAPITAL LEASES PAYABLE	5,662	5,662
DUE TO OTHER AGENCIES (NOTE 5)	<u>21,155</u>	<u>120,619</u>
 TOTAL LIABILITIES	 4,854,359	 4,988,075
 <b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	4,924,031,122	4,424,431,522
CASH IN DURING YEAR (NOTE 6)	141,372,324	390,918,734
CASH OUT DURING YEAR (NOTE 7)	177,005,959	319,323,971
NET INCREASE (DECREASE)	<u>401,705,144</u>	<u>428,004,837</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>5,290,102,631</u>	 <u>4,924,031,122</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 5,294,956,990</u></u>	 <u><u>\$ 4,929,019,197</u></u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Profit and Loss Statement**  
**For the Month Ended 12/31/2006**

	Month Ended <u>12-31-06</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 12,018,257	\$ 72,396,967
SECURITIES LENDING INCOME	<u>2,582,470</u>	<u>15,517,032</u>
	14,600,727	87,913,999
 GAIN ON SALE OF INVESTMENTS	 78,647,227	 244,256,588
LOSS ON SALE OF INVESTMENTS	<u>16,325,895</u>	<u>102,384,968</u>
 NET GAINS (LOSSES) INVESTMENTS	 62,321,332	 141,871,620
 INVESTMENT EXPENSES	 354,698	 8,440,824
SECURITIES LENDING EXPENSES	<u>2,521,708</u>	<u>15,088,785</u>
 NET INVESTMENT INCOME	 74,045,653	 206,256,010
 NET APPREC (DEPREC) MARKET VALUE	 (23,414,851)	 227,061,028
MISCELLANEOUS INCOME/(EXPENSE)	<u>17,341</u>	<u>(640,809)</u>
 TOTAL INVESTMENT INCOME	 50,648,143	 432,676,229
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 5,904,399	 19,992,415
PURCHASED SERVICE CREDIT (NOTE 9)	159,455	1,521,899
PENALTY & INTEREST (NOTE 10)	<u>(706)</u>	<u>429</u>
 TOTAL ADDITIONS	 <u>56,711,291</u>	 <u>454,190,972</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	8,176,397	49,322,629
PARTIAL LUMP SUM BENEFITS PAID	0	513,849
REFUNDS TO MEMBER (NOTE 12)	<u>235,463</u>	<u>1,777,612</u>
 TOTAL BENEFITS PAID	 8,411,860	 51,614,090
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	79,237	483,743
OPERATING EXPENSES	19,758	387,995
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>98,995</u>	 <u>871,738</u>
 TOTAL DEDUCTIONS	 <u>8,510,855</u>	 <u>52,485,828</u>
 NET INCREASE (DECREASE)	 <u>\$ 48,200,436</u>	 <u>\$ 401,705,144</u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**December 31, 2006**

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1                    INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2                    OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3                    DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4                    FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5                    DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6                    CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7                    CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**12/31/2006**

NOTE 8                      CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9                      PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10                    PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11                    BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12                    REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.